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C O N F I D E N T I A L SECTION 01 OF 03 ROME 000522

SIPDIS

STATE PASS USTR GENEVA FOR USTR

E.O. 12958: DECL: 02/07/2008
TAGS: <u>ETRD IT KIPR IT KIPR PREL EUN PREL ETRD EUN</u>
SUBJECT: SCENESETTER FOR USTR ZOELLICK'S FEBRUARY 11
MEETING WITH ITALIAN VICE MINISTER FOR FOREIGN TRADE ADOLFO

REF: A. ROME 28

1B. 02 ROME 6137

CLASSIFIED BY: ECONOMIC MINISTER-COUNSELOR SCOTT KILNER FOR REASONS 1.5 (B) AND (D)

- 11. (C) SUMMARY: THE VISIT OF VICE MINISTER FOR FOREIGN TRADE ADOLFO URSO TO WASHINGTON IS A KEY OPPORTUNITY TO ADVOCATE FOR U.S. TRADE PRIORITIES, BOTH IN THE U.S.-EU CONTEXT AS WELL AS IN THE DOHA NEGOTIATIONS. URSO IS PRO-U.S., PRO-FREE TRADE, AND INTERESTED IN HAVING ITALY BECOME A MORE ACTIVE FORCE ON TRADE MATTERS WITHIN THE EU, ESPECIALLY DURING THE UPCOMING ITALIAN PRESIDENCY. URSO HAS PUBLICLY STATED THAT HE WOULD LIKE TO DISCUSS WITH USTR ZOELLICK THE EU MORATORIUM ON AGRICULTURAL BIOTECH APPROVALS, AS WELL AS ACCESS TO MEDICINE UNDER TRIPS. HIS STAFF HAS TOLD US HE WILL BE PREPARED TO ENGAGE ON A BROAD RANGE OF PROMINENT TRADE ISSUES, INCLUDING FSC AND STEEL, AND THE PROPOSALS ON BOTH AGRICULTURAL AND NON-AGRICULTURAL TRADE FOR THE WTO NEGOTIATIONS. THE MEETING WITH URSO IS ALSO AN OPPORTUNITY TO PUSH THE GOI TO ADOPT A SCIENCE-BASED POSITION ON BIOTECH AND TO EXERCISE LEADERSHIP ON THE ISSUE DURING ITS EU PRESIDENCY. END SUMMARY.
- 12. (C) USTR ZOELLICK'S MEETING WITH DEPUTY MINISTER FOR FOREIGN TRADE ADOLFO URSO COMES AS HE AND HIS STAFF ARE PREPARING TO ACCELERATE ITALIAN TRADE ACTIVITY IN ANTICIPATION OF THE ITALIAN EU PRESIDENCY BEGINNING JULY 1. WHILE IT MAY BE UNREALISTIC TO EXPECT ITALY TO VAULT TO THE FOREFRONT AMONG EU MEMBER STATES, WE DO BELIEVE THE GOI WILL TRY TO EXERT STRONGER-THAN-USUAL INFLUENCE ON TRADE MATTERS THIS YEAR. THE U.S. SHOULD TAKE ADVANTAGE OF THE OPPORTUNITY OF A WILLING ITALY (AND A PRO-U.S. URSO) TO PUSH THE GOI TO PLAY SUCH A ROLE. A MORE FORCEFUL GOI COULD POTENTIALLY PLAY A CONSTRUCTIVE ROLE WITHIN THE EU ON A NUMBER OF TRADE ISSUES OF IMPORTANCE TO THE U.S.
- 13. (SBU) URSO,S OFFICE HAS PUBLICIZED HIS MEETING WITH USTR ZOELLICK AS AN OPPORTUNITY TO DISCUSS BOTH A POSSIBLE WTO CASE ON THE EU MORATORIUM ON AG BIOTECH APPROVALS, AS WELL AS THE ONGOING TRIPS NEGOTIATIONS ON ACCESS TO MEDICINE. AMEDEO TETI, THE RECENTLY APPOINTED DIRECTOR GENERAL FOR TRADE AGREEMENTS (WHO WILL ACCOMPANY URSO TO THE U.S.) HAS TOLD US THAT, IN ADDITION, URSO IS PREPARING TO DISCUSS THE RANGE OF PROMINENT U.S.-EU TRADE ISSUES: FSC, STEEL, THE WTO AGRICULTURAL NEGOTIATIONS (INCLUDING GEOGRAPHIC INDICATORS), AND THE WTO MARKET ACCESS NEGOTIATIONS. HE MAY ALSO INVITE USTR ZOELLICK TO ITALY IN LATE SPRING TO JOIN HIM IN A MEETING WITH LAMY AND OTHER TRADE MINISTERS (THOUGH OUR GOI CONTACTS HAVE NOT MENTIONED THIS IDEA OF A TRADE MINI-MINISTERIAL SINCE THEY INITIALLY SUGGESTED IT IN DECEMBER REF A).

U.S. AND EU WTO PROPOSALS

14. (SBU) COMMENTING ON THE AGRICULTURAL AND NON-AGRICULTURAL PROPOSALS OF THE U.S. AND THE EU, TETI RECENTLY TOLD US THAT HE IS OPTIMISTIC THAT THE U.S. AND EU WILL ULTIMATELY BE ABLE TO BRIDGE DIFFERENCES IN BOTH AREAS. HE ALSO EMPHASIZED THAT GEOGRAPHICAL INDICATORS ARE OF SPECIAL CONCERN TO ITALY, AND REPEATED A FAMILIAR GOI THEME THAT PROGRESS IN BOTH GMOS AND GI COULD BE ADVANCED IN TANDEM. WE EXPECT URSO TO REPEAT

TRIPS/MEDICINE

15. (U) URSO HAS PUBLICLY AFFIRMED THE GOI,S SUPPORT FOR EU TRADE COMMISSIONER LAMY,S PROPOSAL, AS OUTLINED IN HIS JANUARY 7 LETTER TO USTR ZOELLICK. URSO,S STATEMENT NOTED HIS HOPE THAT LAMY,S IDEA OF GIVING THE WORLD HEALTH ORGANIZATION A ROLE IN DETERMINING THE SCOPE OF DISEASE WOULD ALLEVIATE U.S. CONCERNS. HE ALSO LAMENTED THE INABILITY OF THE TRIPS COUNCIL TO REACH AN ACCORD BY THE END OF 2002 AS A TERRIBLE SIGN TO THE DEVELOPING WORLD, ESPECIALLY THOSE COUNTRIES SUFFERING THE MOST FROM EPIDEMIC DISEASES.

FSC, STEEL

16. (C) ITALY SEEKS TO AVOID A FLARE-UP OF U.S.-EU TENSION IN BOTH THESE AREAS, ESPECIALLY SINCE THE ALREADY CONTENTIOUS BIOTECH ISSUE IS LIKELY TO REMAIN UNRESOLVED WELL INTO ITS

ACTION STR-00

NP-00 AID-00 SRPP-00 DS-00 VC-00 FRB-00 INFO LOG-00 CEA-01 CIAE-00 COME-00 CTME-00 EB-00 TEDE-00 EAP-00 DODE-00 E-00 INR-00 H - 0.1IO-00 JUSE-00 DCP-01 OPIC-01 LAB-01 NSAE-00 VCE-00 OIC-02 ITC-01LOC-01 L-00 MED-07 AC-01 NSCE-00 OES-00 OMB-01 PA-00 SSO-00 PRS-00 ACE-00 T-00 DHS-00 PM-00 P = 0.0TRSE-00 DSCC-00 PRM-00 NFAT-00 PMB-00 DRL-01 G-00 SAS-00 /020W

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INFO EU MEMBER STATES COLLECTIVE AMCONSUL FLORENCE AMCONSUL MILAN AMCONSUL NAPLES USMISSION GENEVA USEU BRUSSELS 3102

C O N F I D E N T I A L SECTION 02 OF 03 ROME 000522

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UPCOMING EU PRESIDENCY. URSO AND HIS STAFF HAVE TENDED TO DOWNPLAY BOTH FSC AND STEEL, REFLECTING THE GOI,S RELATIVE LACK OF INTEREST HISTORICALLY. WITH ITALY'S EU PRESIDENCY, HOWEVER, URSO MIGHT BE RECEPTIVE TOWARDS CARRYING A POSITIVE MESSAGE TO THE EU FROM US IN BOTH THESE AREAS IN ORDER TO LESSEN TENSION. AMONG THE POSITIVE NEWS WE HAVE SHARED WITH URSO,S STAFF: THE USG COMMITMENT TO WORK WITH CONGRESS ON RESOLVING FSC; PROGRESS IN RESTRUCTURING THE U.S. STEEL INDUSTRY; AND THE STRENGTHENING GLOBAL STEEL MARKET.

BIOTECH

- 17. (C) URSO HAS TOLD US ON MANY OCCASIONS THAT HE WOULD LIKE TO SEE AN END TO THE EU MORATORIUM ON NEW BIOTECH APPROVALS, EVEN THOUGH AGRICULTURE MINISTER ALEMANNO CONTINUES HIS STRONGLY ANTI-BIOTECH STANCE. THE GOI HOPES THIS ISSUE WILL NOT BURST INTO OPEN CONFRONTATION DURING ITS EU PRESIDENCY. UNFORTUNATELY, HOWEVER, INTERNAL GOI DIVISION ON BIOTECH REMAINS UNRESOLVED (PM BERLUSCONI RELIES ON THE POLITICAL SUPPORT OF ALIANZA NAZIONALE PARTY LEADERS LIKE ALEMANNO) SEE REF B). USTR ZOELLICK'S MEETING WILL BE AN OPPORTUNITY TO REITERATE HOW SERIOUSLY WE TAKE AGRICULTURAL BIOTECH WITHIN OUR BILATERAL AGENDA, AND THAT -- LIKE IT OR NOT -- ITALY WILL BE FORCED TO EXERCISE LEADERSHIP ON THE ISSUE DURING ITS EU PRESIDENCY. WE SHOULD ALSO REITERATE OUR CONTINUED STRONG CONCERN ABOUT THE &AMATO DECREES, WHICH BANNED FOUR EU-APPROVED CORN VARIETIES FOR PLANTING IN ITALY ON PRECAUTIONARY GROUNDS, AND WARN STRONGLY AGAINST ANY SIMILAR MEASURES THAT THE GOI MIGHT TAKE ON THE IMPORT OF SEEDS FOR PLANTING (AN IDEA WHICH ALEMANNO MAY BE CONSIDERING). PLANTING (AN IDEA WHICH ALEMANNO MAY BE CONSIDERING).
- (C) DESPITE URSO, S PERSONAL PRO-BIOTECH STANCE, HE ISSUED 18. (C) DESPITE URSO,S PERSONAL PRO-BIOTECH STANCE, HE ISSUED A PUBLIC STATEMENT JANUARY 10 CRITICIZING THE U.S. THREAT TO INITIATE A WTO CASE AS EXCESSIVE AND COUNTERPRODUCTIVE, AND PRAISING THE EU'S EFFORTS TO INSURE THAT CONSUMERS ARE INFORMED ABOUT FOOD CONTAINING GMOS. URSO FURTHER CRITICIZED AS MISTAKEN ANY LINKING OF THE EU,S POSITION WITH THE DECISION BY SOME AFRICAN COUNTRIES TO REFUSE BIOTECH FOOD AID. IN A FOLLOW-UP PUBLIC STATEMENT FEBRUARY 5, URSO FAVORABLY NOTED REPORTS THAT THE U.S. WOULD POSTPONE INITIATION OF A WTO CASE AS POTENTIALLY A POSITIVE SIGN, NOTING THAT A U.S. POSITION THAT DID NOT OPENLY CONFRONT THE EU, BUT RATHER SOUGHT RESOLUTION THROUGH DIALOGUE, IS THE NECESSARY WAY OF SUCCEEDING IN REACHING, AS SOON AS POSSIBLE, AN AGREEMENT ON GMOS.

INTELLECTUAL PROPERTY RIGHTS

- 19. COPYRIGHT: SINCE THE 2000 COPYRIGHT LAW WAS ENACTED, WE HAVE SEEN A REAL IMPROVEMENT IN LAW EMFORCEMENT EFFORTS TO FIGHT COPYRIGHT PIRACY. THE JUDICIARY, HOWEVER, HAS SHOWN A RELUCTANCE TO PROSECUTE AND SENTENCE LAWBREAKERS. SIAE (THE LTALIAN COPYRIGHT COLLECTION ENTITY) CONTINUES TO FOCUS ITS EFFORTS ON COLLECTING HIGHER "STICKER" FEES ON LEGITIMATE COPYRIGHTED GOODS, WHILE LEAVING ANTI-PIRACY EFFORTS TO INDUSTRY AND LAW ENFORCEMENT AGENCIES
- 110. TRADEMARK/PATENT: THE MINISTER OF PRODUCTIVE ACTIVITIES. 110. TRADEMARK/PATENT: THE MINISTER OF PRODUCTIVE ACTIVITIES, ANTONIO MARZANO, WHOSE MANDATE ALSO INCLUDES URSO'S MINISTRY OF FOREIGH TRADE AND THE ITALIAN PATENT AND TRADEMARK OFFICE (IPTO), HAS BEGUN SERIOUS EFFORTS TO REFORM THE IPTO. COMMERCE U/S JAMES ROGAN AND THE U.S. PATENT AND TRADEMARK OFFICE (USPTO) HAVE PROVIDED EXTENSIVE GUIDANCE AND TECHNICAL ASSISTANCE TO THIS ONGGING EFFORT. USTR ZOELLICK MIGHT TAKE THE OPPORTUNITY TO APPLAUD THE IPTO REFORM EFFORTS AND ITALIAN LAW ENFORCEMENT AGENCY EFFORTS TO FIGHT PIRACY. AT THE SAME TIME, WE SHOULD NOTE THAT WE REMAIN LESS THAN SATISFIED BY SIAE'S INADEQUATE ANTI-PIRACY EFFORTS AND BY THE ANEMIC RESPONSE BY THE ITALIAN JUDICIARY.

BIOGRAPHICAL NOTE

111. (C) APART FROM HIS ROLE AS THE LEAD GOI OFFICIAL ON TRADE, URSO IS A RISING STAR IN ITALIAN POLITICS. HE IS A MEMBER OF ALIANZA NAZIONALE (AN), THE SECOND PARTY WITHIN PM BERLUSCONI,S RULING COALITION. URSO IS A CLOSE POLITICAL ALLY, PROTEGE AND ADVISOR OF DEPUTY PRIME MINISTER GIANFRANCO FINI, AND ALSO HAS LONG-STANDING TIES TO FELLOW AN MEMBER AGRICULTURE MINISTER GIOVANNI ALEMANNO (NOTWITHSTANDING THEIR CONTRASTING VIEWS ON AGRICULTURAL BIOTECH). HE IS A FRIEND OF CONGRESSMAN BILL YOUNG, CHAIRMAN OF THE HOUSE

ACTION STR-00

INFO	LOG-00	NP-00	AID-00	CEA-01	CIAE-00	COME-00	CTME-00
	DODE-00	SRPP-00	DS-00	EAP-00	EB-00	EUR-00	EXIM-01
	E-00	VC-00	FRB-00	H-01	TEDE-00	INR-00	IO-00
	ITC-01	JUSE-00	LAB-01	LOC-01	L-00	VCE-00	MED-07
	AC-01	DCP-01	NSAE-00	NSCE-00	OES-00	OIC-02	OMB-01
	DHS-00	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00
	SCT-00	SP-00	SSO-00	SS-00	TRSE-00	T-00	USIE-00
	PMB-00	DSCC-00	PRM-00	DRL-01	G-00	NFAT-00	SAS-00

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INFO EU MEMBER STATES COLLECTIVE
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USEU BRUSSELS 3103